As regards value of seized drug, drug trafficking by its very nature is a clandestine activity and the value of drugs not only vary from place to place but also depends on its purity and various other factors. Hence, the value of seized drug cannot be estimated.

(c) to (e) No centralized database regarding prosecutions and details of convictions is maintained.

Micro-Finance Institution of NABARD

26. SHRI HARISH RAWAT; Will the Minister of FINANCE be pleased to state:

(a) how NABARD's rising cost of fund is going to affect the otherwise laudable programme of financial inclusion of Government;

(b) what is the remedy proposed by Government to mitigate the low-cost resource problems for NABARD;

(c) what could be the ambit of functioning of the proposed Micro-Finance Institution formed by NABARD; and

(d) whether NABARD's foray into retail segment like Micro Finance would deflect NABARD from its principal mandate to serve the rural underprivileged?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Government of India (GoI) has decided to constitute the Financial Inclusion Fund (FIF) for meeting the cost of promotional and developmental interventions and the Financial Inclusion Technology Fund (FITF) to meet the cost of technology adoption, with an overall corpus of Rs. 500 crore each, with initial funding to be contributed by the Central Government, Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD).

With a view to provide NABARD's access to long-term resources at cost-effective rates, the Finance Act, 2005 has provided a new financial instrument called the 'Zero-Coupon Bonds (ZCBs)'. In this context, the Central Government *vide* notification No. 372/2006, dated 15th December, 2006 has allowed NABARD to float 'ten years zero coupon bounds'. The number of bonds to be issued is 1,03,10,000 (one crore three lakh ten thousand), with a-face value of twenty thousand rupees for each bond.

Besides, pursuant to Budget Announcement 2007-08, NABARD has issued Rural Bonds amounting to Rs. 5,000 crore on 26th January, 2008. These Bonds will be eligible for tax exemption under Section 80C of Income Tax Act, 1961.

(c) It has been decided to restructure existing Karnataka Agriculture Development Finance Company (KADFC) Limited into NABARD Financial Services Ltd. (NABFINS). It would be a subsidiary of NABARD. The Memorandum of Association and Article of Association of KADFC is being suitably amended to cover all microfinance services within the regulatory framework of Reserve Bank of India. NABFINS is proposed as a Model Micro Finance Institution (MFI), and would be facilitating setting up of benchmarks and standards for the MFI sector.

(d) NABARD would not be entering the retail segment. Entry into the retail segment through a subsidiary with the objective of setting up benchmarks and standards for the MFI sector, is likely to further strengthen the developmental role of NABARD in the Microfinance Sector.